

# UTAH COUNTIES INSURANCE POOL

## BOARD OF TRUSTEES MEETING

Thursday, August 19, 2010, 12:00 p.m.  
Festival Hall, 105 North 100 East, Cedar City, UT

## AGENDA

12:00	Joint Lunch with Litigation Management Committee <i>and</i> RAP Presentation	Bruce Swingle, NMAC
1:00	Call to Order	Kay Blackwell

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### ITEM ACTION

1	Review/Excuse Board Members Absent	Kay Blackwell
2	Review/Approve June 4, 2010 Meeting Minutes	Steve Wall
3	Ratification and Approval of Payments and Credit Card Transactions	Steve Wall
4	Set Date and Time for Closed Meeting to Discuss the Purchase, Exchange, or Lease of Real Property	Kay Blackwell
5	Action on Real Property Matters	Kay Blackwell
6	Review Feasibility of In-House Counsel	Johnnie Miller
7	Ratify Member Equity Calculations	Johnnie Miller
8	Review/Approve Second Quarter Financial Statements	Sonya White
9	Review/Approve Revised 2010 Budget	Sonya White
10	Budget Objectives and Proposed 2011 Budget	Johnnie Miller
11	Review/Approve Renewal Rates	Johnnie Miller
12	Review/Approve 2011 Premiums	Johnnie Miller
13	Review/Approve Electronic Meetings Resolution	Johnnie Miller
14	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Kay Blackwell
15	Action on Personnel Matters	Kay Blackwell
16	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Kay Blackwell
17	Action on Litigation Matters	Kent Sundberg

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### INFORMATION

18	Chief Executive Officer's Report	Johnnie Miller
19	Other Business	Kay Blackwell





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Notice Title:	Board Meeting
Government Type:	Special Districts
Entity:	Utah Counties Insurance Pool
Public Body Name:	Board of Trustees
Notice Subject:	Counties
Street Address:	105 North 100 East
Street Address continued:	
City:	Cedar City
Zip:	84720
Start Date:	08/19/10 1:00 PM
End Date:	08/19/10 4:00 PM
Description / Agenda:	Call to Order Review/Excuse Board Members Absent Review/Approve June 4, 2010 Meeting Minutes Ratification and Approval of Payments and Credit Card Transactions Set Date and Time for Closed Meeting to Discuss the Purchase, Exchange, or Lease of Real Property Action on Real Property Matters Review Feasibility of In-House Counsel Ratify Member Equity Calculations Review/Approve Second Quarter Financial Statements Review/Approve Revised 2010 Budget Budget Objectives and Proposed 2011 Budget Review/Approve Renewal Rates Review/Approve 2011 Premiums Review/Approve Electronic Meetings Resolution Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual Action on Personnel Matters Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation Action on Litigation Matters Chief Executive Officer's Report Other Business





Utah Counties Insurance Pool  
*Supporting Your Goals Since 1992*

## BOARD OF TRUSTEES MEETING MINUTES

August 19, 2010, 1:00 p.m.  
Festival Hall, Cedar City, UT

### **BOARD MEMBERS PRESENT**

Kay Blackwell, *President*, Piute County Commissioner  
Ken Bischoff, *Vice President*, Weber County Commissioner  
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor  
Bruce Adams, San Juan County Commissioner  
Brad Dee, Weber County Human Resources Director  
Jim Eardley, Washington County Commissioner  
LaMar Guymon, Emery County Sheriff  
Gerald Hess, Davis County Deputy Attorney  
Jerry Hurst, Tooele County Commissioner  
Karla Johnson, Kane County Clerk-Auditor  
Wayne Smith, Iron County Commissioner  
Kent Sundberg, Utah County Deputy Attorney  
Steve White, Utah County Commissioner

### **OTHERS PRESENT**

Mark Brady, UCIP Loss Control Manager  
Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Manager of Administration

### **Call to Order**

Kay Blackwell called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 1:30 p.m. on August 19, 2010 and welcomed those in attendance.

### **Review/Excuse Board Members Absent**

All Board Members were in attendance at this meeting.

### **Approve June 4 Meeting Minutes**

The minutes of the Board of Trustees meeting held June 4, 2010 were previously sent to the Board Members for review. Steve Wall made a motion to approve the June 4, 2010 meeting minutes as written. Steve White seconded the motion, which passed unanimously.

### **Ratification and Approval of Payments and Credit Card Transactions**

Steve Wall reviewed the payments made, payments to be made (see attachment number one) and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Jerry Hurst seconded the motion, which passed unanimously.

### **Set Date and Time for Closed Meeting**

Steve White made a motion to set date and time for a closed meeting to discuss the purchase, exchange or lease of real property at 1:45 p.m. on August 19, 2010. Ken Bischoff seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Ken Bischoff, Steve Wall, Bruce Adams, Brad Dee, Jim Eardley, LaMar Guymon, Gerald Hess, Jerry Hurst, Karla Johnson, Wayne Smith, Kent Sundberg and Steve White. Mark Brady, Johnnie Miller and Sonya White were also present.

The regular meeting resumed at 1:54 p.m. on August 19, 2010.

### **Action on Real Property Matters**

Karla Johnson made a motion to ratify the decision made by the Board, during the June 23, 2010 telephonic conference, directing the Chief Executive Officer to make a counter offer of \$525,000, seven percent commission, 90-days due diligence and ten percent earnest money down to the dental group offering \$300,000 for the UCIP owned Sandy property. Wayne Smith seconded the motion, which passed unanimously.

### **Review Feasibility of In-House Counsel**

Johnnie Miller reported that he is continuing to study and monitor the claims costs to better identify the savings through use of an in-house counsel. Cost savings identified in 2009 may be at least the difference between \$353,198 (non-complex claims that would not end up going to trial) and the salary and benefits expense for this position (see attachment number two). Johnnie is also researching other alternatives to hiring in-house counsel and will report to the Board when more data is compiled.

### **Ratify Member Equity Calculations**

Based on the Board's direction at its June Strategic Planning Session, Johnnie Miller explained the equity options with the actuaries, Mary Jean King and Lisa Dennison. Based on the changes, Johnnie presented the final member equity calculations (see attachment number three). The Pool is on task with its goal to achieve a one-to-one surplus ratio. Counties with a low or negative equity in the Pool, did not join the Pool in 1992 or left the Pool for a period of time. Karla Johnson made a motion to ratify and approve the final member equity calculation as presented. Steve Wall seconded the motion, which passed unanimously.

### **Review/Approve Second Quarter 2010 Financial Statements**

The in-house prepared, second quarter financial statements were previously sent to the Board Members for review (see attachment number four). Sonya White reported that the total assets of the Pool, as of the second quarter ending June 30, 2010, are at \$14,320,407. In the first six months of 2010, an increase in loss reserves of \$122,843 has caused a negative net income of \$-78,094. Total expenses are at five percent over budget with the year 50 percent complete. Jim Eardley made a motion to approve the second quarter financial statements as prepared and presented. Ken Bischoff seconded the motion, which passed unanimously.

### **Review/Approve Revised 2010 Budget**

Proposed revisions to the 2010 Budget were previously sent to the Board Members for review (see attachment number five). Sonya White explained that the approved budget included premiums, reinsurance and self-insured tax for the workers compensation program. Investment income continues to drop and at mid-year, the actuaries have given the Pool a better indication of incurred losses. Jim Eardley made a motion to approve the revisions to the 2010 Budget as presented. Wayne Smith seconded the motion, which passed unanimously.

### **Budget Objectives and Proposed 2011 Budget**

The proposed tentative 2011 Budget objectives were previously sent to the Board Members for review (see attachment number six). Johnnie Miller explained that the actuaries require tentative budget projections in order to provide the Pool with its rate analysis. Once the third quarter financials are complete, staff will provide the Board with a tentative 2011 Budget for approval.

### **Review/Approve Renewal Rates**

Johnnie Miller reviewed the actuarial rate findings with the Board (see attachment number seven). In an effort to increase surplus, the Board approved rates at an 80 percent confidence level in 2010. In reviewing the premium indications for 2011, Brad Dee made a motion to approve the Expected rate level for premiums written at \$6,080,000. Jim Eardley seconded the motion which passed; Karla Johnson and Steve White opposed.

### **Review/Approve 2011 Premiums**

Based on the exposures reported and affirmed by each member, Johnnie Miller reviewed the tentative 2011 premium calculations with the Board (see attachment number eight). Pursuant to the approved actuarial rates, property and automobile rates remained consistent with the 2010 indications and liability rates increased 12 percent. The calculations presented are based on an 80 percent confidence level. Kent Sundberg made a motion to approve the 2011 premium calculations at the Expected rate. Jerry Hurst seconded the motion, which passed unanimously.



### **Review/Approve Electronic Meetings Resolution**

Johnnie Miller reviewed Resolution No. 2010-1, *Governing the Use of Electronic Meetings for Meeting of the UCIP Board of Trustees*, with the Board (see attachment number nine). Steve White made a motion to approve the Electronic Meetings Resolution as presented. Karla Johnson seconded the motion, which passed unanimously. Kent Sundberg requested that that Resolution be revisited. Kent explained that in Section 52-4-207(3)(c) of the Utah Code, an anchor location must be established. Kent Sundberg made a motion to include the UCIP offices at 10980 South Jordan Gateway in South Jordan, as the anchor location on the Resolution. Steve White seconded the motion, which passed unanimously.

### **Set Date and Time for Closed Meeting**

Steve White made a motion to strike agenda item: Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual. Ken Bischoff seconded the motion, which passed unanimously.

### **Action on Personnel Matters**

Steve White made a motion to strike agenda item: Action on Personnel Matters. Ken Bischoff seconded the motion, which passed unanimously.

### **Set Date and Time for Closed Meeting**

Steve White made a motion to set date and time for a closed meeting to discuss pending or reasonably imminent litigation at 3:10 p.m. on August 19, 2010. Bruce Adams seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Ken Bischoff, Steve Wall, Bruce Adams, Brad Dee, Jim Eardley, LaMar Guymon, Gerald Hess, Jerry Hurst, Karla Johnson, Wayne Smith, Kent Sundberg and Steve White. Mark Brady, Johnnie Miller and Sonya White were also present.

The regular meeting resumed at 3:15 p.m. on August 19, 2010.

### **Action on Litigation Matters**

Steve Wall made a motion to strike item: Action on Litigation Matters. Kent Sundberg seconded the motion, which passed unanimously.

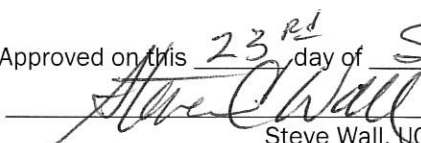
### **Chief Executive Officer's Report**

Johnnie Miller reported that the Pool just completed Risk Management training for 50 member county attendees. At a minimal cost, the Pool purchased the Risk Awareness Program from the New Mexico Association of Counties. Several counties are interested in piloting the program.

### **Other Business**

Brad Dee requested that the Loss Control Manager, Mark Brady, research the 2008 Federal Statute of Red Flag Rules and report to the Board at its next meeting.

The next meeting of the Board of Trustees is scheduled for September 23, 2010 at 12:00 p.m. at the UCIP Offices.

Approved on this 23<sup>rd</sup> day of September 2010  
  
Steve Wall, UCIP Secretary-Treasurer





## Utah Counties Insurance Pool

## Payments

June 5 - August 19, 2010

Type	Date	Num	Name	Memo	Amount
<b>ML Expense</b>					
Liability Check	6/15/2010		QuickBooks Payroll Service	Created by Payroll Services on 06/10/2010	-12,934.19
Liability Check	6/29/2010		QuickBooks Payroll Service	Created by Payroll Services on 06/25/2010	-12,990.23
Check	6/30/2010			Service Charge	-31.12
Liability Check	7/14/2010		QuickBooks Payroll Service	Created by Payroll Services on 07/12/2010	-13,082.00
Liability Check	7/30/2010		QuickBooks Payroll Service	Created by Payroll Services on 07/28/2010	-13,082.01
Liability Check	8/12/2010		QuickBooks Payroll Service	Created by Payroll Services on 08/11/2010	-12,858.07
Liability Check	6/15/2010	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 2700556600345055	-5,188.42
Check	6/10/2010	ONLINE	Wells Fargo	Access Location: 226435733994	-584.25
Liability Check	6/30/2010	ONLINE	Utah Retirement Systems	Unit No: 864 (JUN 2010)	-6,051.07
Liability Check	6/25/2010	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270058100279290	-5,269.78
Liability Check	6/30/2010	ONLINE	Utah State Tax Commission	Transaction Number: 218838739	-1,689.76
Liability Check	6/30/2010	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-2,115.34
Liability Check	7/15/2010	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270059600867855	-5,301.76
Liability Check	7/30/2010	ONLINE	Utah Retirement Systems	Unit No: 864 (JUL 2010)	-6,694.56
Liability Check	7/30/2010	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-2,115.34
Liability Check	7/30/2010	ONLINE	Utah State Tax Commission	Transaction Number: 219533655	-1,708.52
Liability Check	7/30/2010	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270061400823052	-5,301.74
Liability Check	8/13/2010	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270062800202482	-5,216.08
Check	6/25/2010	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-62.45
Check	6/25/2010	VISA	Wells Fargo	Account Number: 4856 2002 0869 3567	-1,211.02
Check	6/25/2010	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-533.84
Check	7/27/2010	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-810.00
Check	7/27/2010	VISA	Wells Fargo	Account Number: 4856 2002 0869 3567	-87.87
Check	7/27/2010	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-3,156.00
Check	6/11/2010	5591	Johnnie R. Miller	Expense Reimbursement	-101.72
Check	6/11/2010	5592	Jerry Hurst	Mileage Reimbursement	-90.00
Check	6/11/2010	5593	Kay Blackwell	Mileage Reimbursement	-142.00
Check	6/11/2010	5594	Steve White	VOID: Mileage Reimbursement	0.00
Check	6/11/2010	5596	Jim Eardley	Mileage Reimbursement	-295.00
Check	6/11/2010	5597	Brad Dee	Mileage Reimbursement	-22.00
Check	6/11/2010	5598	Gerald Hess	Mileage Reimbursement	-132.00
Check	6/11/2010	5599	Karla Johnson	Mileage Reimbursement	-284.00
Check	6/11/2010	5600	LaMar Guymon	Mileage Reimbursement	-110.00
Check	6/11/2010	5601	Wayne Smith	Mileage Reimbursement	-189.50
Check	6/11/2010	5602	Steven Wall	Mileage Reimbursement	-172.00
Liability Check	6/11/2010	5603	Sirius Consulting Group, LLC	Invoice: June (UCIP 1076) 442915	-594.21
Bill Pmt -Check	6/11/2010	5604	Larson & Rosenberger	Invoice Number: 51889	-1,565.00
Bill Pmt -Check	6/11/2010	5605	Office Depot	Invoice Number: 519972829001	-61.00
Bill Pmt -Check	6/11/2010	5606	Revco Leasing Company, LLC	Invoice Number: 238149	-815.89
Bill Pmt -Check	6/11/2010	5607	State of UT Dept of Workforce Services	Account No: R 2-423713-0	-2,255.00
Bill Pmt -Check	6/11/2010	5608	The Homestead	Group ID: 45B52E	-4,634.30
Check	6/25/2010	5609	Utah Correctional Industries	Invoice Number: 07UC0003335	-995.00
Liability Check	6/28/2010	5610	Korby M. Siggard	Expense Reimbursement	-658.32
Liability Check	6/28/2010	5611	Opticare of Utah	June Benefits	-70.38
Bill Pmt -Check	6/28/2010	5612	Public Employees Health Program	Policy Number 1076 (JUN)	-6,317.40
Bill Pmt -Check	6/28/2010	5613	Arthur J. Gallagher & Co.	Invoice Number: 91943	-2,973.00
Bill Pmt -Check	6/28/2010	5614	Hilton Garden Inn St. George	May 12-13 Event - Personnel Workshop	-630.00
Bill Pmt -Check	6/28/2010	5615	Paetec	Invoice Number: 1030882	-682.59
Bill Pmt -Check	6/28/2010	5616	Purchase Power	Account Number: 8000-9090-018-5759	-286.98
Check	6/30/2010	5617	The Homestead	Group ID: 45B52E	-180.00
			PEHP-LTD	Coverage Period: June 2010	-233.89

# Utah Counties Insurance Pool Payments

June 5 - August 19, 2010

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	7/1/2010	5618	County Reinsurance, Limited	Excess Property July 1, 2010 - July 1, 2011	-388,455.00
Bill Pmt -Check	7/1/2010	5619	Western AgCredit	Invoice Number: 7-2010	-10,788.00
Liability Check	7/29/2010	5620	Public Employees Health Program	Policy Number 1076 (JUL)	-6,317.40
Check	7/29/2010	5621	Shaney M. Kelleher	Expense Reimbursement	-64.78
Check	7/29/2010	5622	Johnnie R. Miller	Expense Reimbursement	-232.50
Liability Check	7/29/2010	5623	Sirius Consulting Group, LLC	Invoice: July (UCIP 1076) 442915	-594.21
Liability Check	7/29/2010	5624	Opticare of Utah	July Benefits	-70.38
Check	7/29/2010	5625	PEHP-LTD	Coverage Period: July 2010	-236.14
Bill Pmt -Check	7/29/2010	5626	Office Depot	Invoice Number: 525890843001	-2.07
Bill Pmt -Check	7/29/2010	5627	Office Depot	VOID: Invoice Number: 525851345001	0.00
Bill Pmt -Check	7/29/2010	5628	Deluxe for Business	Invoice Number: 0010983500	-454.07
Bill Pmt -Check	7/29/2010	5629	Paetec	Invoice Number: 1192381	-682.59
Bill Pmt -Check	7/29/2010	5630	Revco Leasing Company, LLC	Invoice Number: 240312	-815.89
Bill Pmt -Check	7/29/2010	5631	State of UT Dept of Workforce Services	Account No: R 2-423713-0	-1,804.00
Bill Pmt -Check	7/29/2010	5632	AGRIP	VOID: Member Dues	0.00
Bill Pmt -Check	8/1/2010	5633	Western AgCredit	Invoice Number: 8-2010	-10,788.00
Bill Pmt -Check	8/1/2010	5634	By The Numbers Actuarial Consulting, Inc.	Invoice Number: 2010-108	-2,000.00
Bill Pmt -Check	8/1/2010	5635	RCl Appraisal Company	Invoice Number: 10406	-40,143.00
Bill Pmt -Check	8/1/2010	5636	AGRIP	Member Dues	-1,237.58
Bill Pmt -Check	8/1/2010	5637	Office Depot	Invoice Number: 525851345001	-150.77
Bill Pmt -Check	8/1/2010	5638	Premiere Global Services	Invoice Number: 03260416	-55.44
Check	8/4/2010	5639	Carbon County	Duplicate Payment TULIP Flores Event	-293.55
Bill Pmt -Check	8/4/2010	5640	Arthur J. Gallagher & Co.	Invoice Number: 53001	-1,824.00
Bill Pmt -Check	8/4/2010	5641	Larson & Rosenberger	Order Number: 14016224-R3	-122.50
Bill Pmt -Check	8/4/2010	5642	M. Lee Smith Publishers	Invoice Number: 272766	-377.00
Bill Pmt -Check	8/4/2010	5643	Revco Leasing Company, LLC	Account No: R 2-423713-0	-1,631.78
Bill Pmt -Check	8/4/2010	5644	State of UT Dept of Workforce Services	Summer Workshop Sponsorship	-1,804.00
Bill Pmt -Check	8/4/2010	5645	Utah Clerk/Auditor's Association	FGC Sponsorship	-250.00
Bill Pmt -Check	8/4/2010	5646	Weber County-	Invoice Number: 92064	-1,000.00
Check	8/13/2010	5647	Arthur J. Gallagher & Co.	Expense Reimbursement	-4,072.15
Liability Check	8/13/2010	5648	Steve White	Invoice: August (UCIP 1076) 442915	-297.40
Check	8/13/2010	5649	Sirius Consulting Group, LLC	Expense Reimbursement	-596.00
Check	8/13/2010	5650	Korby M. Siggard	Invoice Number: 63407	-235.40
Bill Pmt -Check	8/13/2010	5651	Christensen & Jensen		-2,327.96
Total ML Expense					-622,290.16
WC Expense					
Total WC Expense					
TOTAL					-622,290.16

## Sonya White

**Cc:** cadams@co.tooele.ut.us; sjensen@co.weber.ut.us; Karen Fairbanks (karenf.ucadm@state.ut.us); jcombe@co.weber.ut.us

**Subject:** Telephone Conference RE: Sandy Property Today 1:00 pm

**Importance:** High

Dear Trustees,

Pursuant to the information below, please plan to join a telephonic conference to provide direction to the CEO on how to proceed with this offer on the UCIP property.

**At 1:00 p.m. today, June 23**, please call 1-888-447-7153 and enter the participant passcode: 2261240 and follow the instructions.

Reply to this email whether you can or cannot participate.

Thank you,

**Sonya White**  
Manager of Administration  
Utah Counties Insurance Pool  
PO Box 95730  
10980 Jordan Gateway  
South Jordan, UT 84095-0730  
801-307-2113(d)  
801-307-2121(f)

Brad LM  
Bruce  
Ken maybe  
Jerry  
Kay ok  
Wall ok  
Karla ok  
white pk  
coral ok  
Lamar ok

**From:** Johnnie Miller [mailto:jmiller@ucip.utah.gov]

**Sent:** Tuesday, June 22, 2010 3:31 PM

**To:** Kay Blackwell

**Cc:** Sonya White

**Subject:** Sandy Property

Wayne maybe  
Jim  
Kent LM

Kay,

We have received an offer on our property on 700 East in Sandy. A dental group has offered us \$11.40 per square foot, which would equal about \$300,000. Our asking price was \$549,900, but this had not been adjusted after selling the frontage to the State DOT. At the \$19.00 per square foot that the DOT paid us, our asking price for the remainder of the property should be approximately \$483,200. Our realtor feels the offer is a little low, but not far off of current going rate for commercial land.

\$19.25

\$19.68

The auditors valued the land asset at 12/31/10 at \$494,446. Any amount we accept less than this amount will be a direct reduction to surplus. We need to decide if we want to counter offer in a range where we will take a loss on the asset, or if we want to hold firm and wait out the market.

\$544,000 need w/fees

The offer is limited to 24 hours, but our realtor will ask for an extension. If we are going to make a counter offer, we would want to do this in the next couple days.

Let me know if you want to schedule a phone conference board meeting to discuss the offer, or if you want to appoint some board members to a committee to work on this.

**Utah Counties Insurance Pool**  
**Johnnie R. Miller, ARM-P, CIC, CRM**  
Chief Executive Officer  
PO Box 95730  
South Jordan, UT

26,572 sq. ft  
728 sold  
716 donated  
25,128 total

7% commission  
UCIP  
Realtor  
3% Their  
Realtor  
+ fees

6/23/2010

Kay  
Lamar  
Wayne  
White  
Karla  
Wall  
Kent

~~Sept~~ Sept. 2009  
End of 2010  
adjust prop value  
to match appraised  
value

\$483,715

Listing good through July 16, 2010  
Kent shop Realtor

Construction complete fall 2010  
Others building  
Prop will look more attractive

180 day  
due diligence  
offer

Counter offer

\$525,000 w/ 7% commish

90 days due diligence

Earnest money 10%

\$5250

7% commish?  
less move  
Kent and





Utah Counties Insurance Pool  
*Supporting Your Goals Since 1992*

## MEMORANDUM

**To:** UCIP Board of Trustees  
**From:** Johnnie Miller, UCIP CEO  
**Date:** August 19, 2010  
**Re:** Defense Costs for Non-Complex Claims

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In follow up to our discussions on the potential for savings by considering the use of in-house counsel, I have reviewed UCIP's 2009 defense costs with our Claims Manager, Korby Siggard. We attempted to identify the claims that we hired counsel for during the period, which were not complex claims, and that would not end up going to trial.

There were a total of 119 claims which we felt clearly fall into this category, with total defense costs during 2009 of \$353,198. I believe all these claims could have been handled by an in-house counsel position. In addition, I believe defense costs incurred during 2009 on other claims could have been reduced by using in-house counsel to file preliminary court documents, and serving as second chair to defense counsel in court proceedings.

The potential for savings here is at least the difference of the \$353,198 and what an in-house counsel position would cost. I believe there is a potential for much greater savings based on the quality of the individual we could place in the position. If the individual was capable of following claims through to mediation or settlement, the potential for savings would increase significantly. If the individual was capable of assisting hired defense counsel at trial, further savings could be achieved.

At this point I plan to continue studying and monitoring our claims costs to better identify the costs that could be saved through use of in-house counsel. There are alternatives I would also like to explore, including retaining an attorney from a law firm that would act as in-house counsel, but would not be a UCIP employee. Given the current economy, I am not sure it is the time to commit ourselves to a significant salary and benefits expense. For those reasons I feel it is best for us to continue to study and discuss this option, but to wait until closer to year end to make any decision.

JRM/jrm



**UTAH COUNTIES INSURANCE POOL**  
**Member Equity Calculation**  
**as of 12/31/2009**

<b>Member</b>	<b>Total Premium Paid</b>	<b>% of Total Premium</b>	<b>Net Equity</b>	<b>2010 Premium</b>	<b>% of 2010 Premium</b>
Beaver	\$1,256,014	1.9%	\$96,606	\$81,554	118.5%
Box Elder	\$3,394,348	5.2%	\$305,403	\$199,386	153.2%
Cache	\$3,793,799	5.8%	\$325,045	\$231,606	140.3%
Carbon	\$1,685,791	2.6%	\$34,153	\$271,242	12.6%
Daggett	\$480,574	0.7%	\$7,248	\$53,786	13.5%
Davis	\$6,929,322	10.5%	\$492,112	\$572,103	86.0%
Duchesne	\$2,094,793	3.2%	\$148,747	\$170,266	87.4%
Emery	\$3,391,779	5.2%	\$325,293	\$129,343	251.5%
Garfield	\$1,266,864	1.9%	\$107,991	\$97,018	111.3%
Iron	\$2,956,957	4.5%	\$258,189	\$211,643	122.0%
Juab	\$1,692,475	2.6%	\$122,097	\$116,347	104.9%
Kane	\$1,315,533	2.0%	\$90,558	\$78,793	114.9%
Millard	\$2,280,444	3.5%	\$139,197	\$181,177	76.8%
Morgan	\$425,469	0.6%	(\$21,666)	\$51,108	-42.4%
Piute	\$371,492	0.6%	\$22,317	\$19,366	115.2%
Rich	\$743,122	1.1%	\$52,134	\$32,027	162.8%
San Juan	\$2,617,371	4.0%	\$180,204	\$191,587	94.1%
Sanpete	\$1,533,670	2.3%	\$151,245	\$80,989	186.7%
Sevier	\$1,621,785	2.5%	\$117,988	\$135,806	86.9%
Tooele	\$1,680,721	2.6%	(\$32,213)	\$310,840	-10.4%
Uintah	\$3,577,445	5.4%	\$285,464	\$353,324	80.8%
Utah	\$7,327,731	11.2%	\$451,670	\$650,722	69.4%
Wasatch	\$2,879,580	4.4%	\$164,527	\$231,424	71.1%
Washington	\$4,126,329	6.3%	\$295,235	\$366,749	80.5%
Wayne	\$741,756	1.1%	\$57,207	\$45,255	126.4%
Weber	\$5,474,191	8.3%	\$74,069	\$673,033	11.0%
UCIP	\$34,506	0.1%	(\$1,018)	\$4,477	-22.7%
<b>Total</b>	<b>\$65,693,862</b>		<b>\$4,249,799</b>	<b>\$5,540,971</b>	<b>76.7%</b>







Utah Counties Insurance Pool  
*Supporting Your Goals Since 1992*

## FINANCIAL STATEMENTS

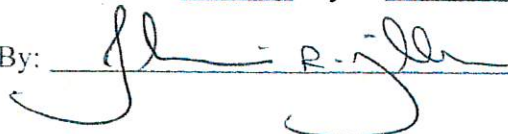
Quarter Ending June 30, 2010

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transaction of the Utah Counties Insurance Pool as of 6/30/2010 and accompanying notes to basic financial statements.

Sonya White  
Manager of Administration  
801-307-2113  
[sonya@ucip.utah.gov](mailto:sonya@ucip.utah.gov)

Reviewed this 30<sup>th</sup> day of July, 2010

By: 

## Utah Counties Insurance Pool

## Statement of Net Assets

As of June 30, 2010

	<u>Jun 30, 2010</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Total Checking/Savings	11,839,254.85
Accounts Receivable	292,971.23
Excess Recoverable	185,873.55
Prepaid Reinsurance	1,049,173.50
<b>Total Current Assets</b>	<u>13,367,273.13</u>
<b>Fixed Assets</b>	
Capital Assets	272,827.74
Accumulated Depreciation	(187,811.13)
Land	494,445.53
Capital (CRL)	362,335.00
Security Deposit	11,336.22
<b>Total Fixed Assets</b>	<u>953,133.36</u>
<b>TOTAL ASSETS</b>	<u><u>14,320,406.49</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Reserves	6,871,880.62
Unearned Premiums	2,845,146.50
Accounts Payable	405,275.00
Payroll Liabilities	992.06
Sick Payable	14,725.66
Vacation Payable	10,681.52
<b>Total Liabilities</b>	<u>10,148,701.36</u>
<b>Equity</b>	
Capital Assets	596,840.00
Unrestricted	3,652,958.67
Net Income	(78,093.54)
<b>Total Equity</b>	<u>4,171,705.13</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>14,320,406.49</u></u>

## Utah Counties Insurance Pool

Statements of Revenues, Expenses and Changes in Net Assets  
As of June 30, 2010

	Jan - Jun 10	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
Income				
Conferences	6,415.00	4,500.00	1,915.00	142.56%
Investment Income	27,801.15	80,709.00	-52,907.85	34.45%
Management Fees	1,977.34	3,000.00	-1,022.66	65.91%
Premiums	2,845,146.50	7,360,121.00	-4,514,974.50	38.66%
Premiums Audit	22,356.77	0.00	22,356.77	100.0%
Total Income	2,903,696.76	7,448,330.00	-4,544,633.24	38.99%
Expense				
Board of Trustees	18,154.13	38,000.00	-19,845.87	47.77%
Depreciation	14,519.49	45,000.00	-30,480.51	32.27%
Loss Control	25,453.30	42,650.00	-17,196.70	59.68%
Losses Incurred	638,921.93	0.00	638,921.93	100.0%
Losses Paid	1,330,385.32	2,960,000.00	-1,629,614.68	44.95%
Marketing	12,219.82	13,750.00	-1,530.18	88.87%
Office Operations	104,419.91	236,200.00	-131,780.09	44.21%
Professional Services	38,149.79	77,300.00	-39,150.21	49.35%
Reinsurance Coverage	438,797.00	1,221,677.00	-782,880.00	35.92%
Self Insurer's Tax	0.00	60,000.00	-60,000.00	0.0%
Staff	360,769.61	762,238.00	-401,468.39	47.33%
Total Expense	2,981,790.30	5,456,815.00	-2,475,024.70	54.64%
Net Ordinary Income	-78,093.54	1,991,515.00	-2,069,608.54	-3.92%
Net Income	-78,093.54	1,991,515.00	-2,069,608.54	-3.92%

# Utah Counties Insurance Pool

## Statement of Cash Flows

As of June 30, 2010

	<u>Jan - Jun 10</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-78,093.54
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-149,711.54
Excess Recoverable	514,997.76
Prepaid Reinsurance	-832,170.00
Accounts Payable	398,033.00
Payroll Liabilities	-558.78
Sick Payable	-2,888.05
Unearned Premiums	2,845,146.50
Vacation Payable	-2,191.07
Net cash provided by Operating Activities	<u>2,692,564.28</u>
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation	14,519.49
Capital Assets	2,858.37
Capital (CRL)	3,947.00
Capital (CRL) WC	1,562.00
Net cash provided by Investing Activities	<u>22,886.86</u>
<b>FINANCING ACTIVITIES</b>	
IBNR Reserves	712,955.31
Loss Reserves	-262,630.38
Loss Reserves WC	-4,229,516.00
ULAE Reserves	188,597.00
Net cash provided by Financing Activities	<u>-3,590,594.07</u>
Net cash increase for period	-875,142.93
Cash at beginning of period	<u>12,714,397.78</u>
Cash at end of period	<u><u>11,839,254.85</u></u>

**UTAH COUNTIES INSURANCE POOL**  
Notes to Basic Financial Statements

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Utah Counties Insurance Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. The Pool is a non-profit public agency insurance mutual under the insurance statutes of the State of Utah and is an Interlocal entity formed under section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, as a joint program to insure risks for counties who enter into the Interlocal agreement that creates UCIP. The Pool started providing workers' compensation coverage effective January 1, 2004. As of January 1, 2010, the Pool has a Joint Purchase Agreement with the Workers Compensation Fund to provide workers' compensation coverage to UCIP members. All of the Pool's business activities are conducted in the State of Utah.

**Accounting Principles**

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Pool adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB Statement 34), GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. With the implementation of these statements, the Pool has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, and has prepared the statements of cash flows on the direct method to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*, the Pool has opted to apply all pronouncements issued by the Financial Accounting Standards Board ("FASB") after November 1989, unless the FASB pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant of such policies.

**Basis of Accounting**

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates which are particularly susceptible to change are related to the actuarial valuation of the claims incurred but not reported and loss reserves. Actual results could differ from those estimates.

### Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

### Premiums

Substantially all policies have a common annual renewal date of January 1. Premiums written are earned on a daily pro rata basis over the policy term.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund, business market funds and cash on deposit are considered to be cash equivalents.

### Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL which represents its share of the undistributed earnings or losses of CRL.

### Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the current year, as of the quarter ending June 30, 2010, amounted to **\$14,519**.

### Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

### Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed quarterly and any adjustments are reflected in the period determined.

## **2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Listed below is a summary of the cash and investment portfolios as of June 30, 2010. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes.

### Cash and cash equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is **\$233,247** as of June 30, 2010. As of June 30, 2010, **\$250,000** of the Pool's cash on deposit was insured by the FDIC.



The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but the PTIF is subject to the Money Management Act and Rules of the Money Management Council. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF pay an administrative charge on an annual basis based on the average account balance. The PTIF is operated as a service to local governments and does not generate a profit to the Utah State Treasurer.

### **Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, the Pool had amounts over FDIC insurance of \$0. As of June 30, 2010, the Pool had amounts over SIPC insurance of \$0.

### **Investments**

All investments are through the Public Treasurer's Investment Fund and County Reinsurance Limited. The Pool records investments in CRL using the equity method of accounting. Investments in CRL are provided annually. The recorded value in CRL as of March 31, 2010 is as follows:

	2010				
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statement Value
Equity Investment in CRL	\$ 367,931	\$ -	\$ 5,596	\$ 362,335	\$ 362,335
<b>Total Investments</b>	<b>\$ 367,931</b>	<b>\$ -</b>	<b>\$ 5,596</b>	<b>\$ 362,335</b>	<b>\$ 362,335</b>

### **Interest Rate Risk**

The Pool's investment policy states that the Pool manages its exposure to declines in fair value by laddering the maturities of its securities. Currently the Pool utilizes the Public Treasurer's Investment Fund (PTIF) to manage interest rate risk.

### **Credit Rate Risk**

The Pool's investment policy states that investments will be limited to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total investment portfolio maintains an "A" (S&P) or equivalent minimum rating. All investments made during the period complied with this policy.

### **Concentration of Credit Risk**

The Pool's investment policy states that investment in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20% of the total assets of UCIP's investments. All investments made during the period were in compliance with this policy.

## **3. INTEREST RATES**

The interest rates for assets held with the Utah Public Treasurers' Investment Fund was .59% as of June 30, 2010.

## **4. INVESTMENT INCOME**

Investment income is comprised of interest on securities and cash and equity in CRL.

## 5. CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are:

2010				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
Land	\$ 494,446	\$ -	\$ -	\$ 494,446
Capital Assets	\$ 276,690		\$ (8,800)	\$ 267,890
	\$ 771,136	\$ -	\$ (8,800)	\$ 762,336
	Beginning Balance	Depreciation Expense	Dispositions	Ending Balance
Accumulated Depreciation	\$ 173,291	\$ 14,520	\$ -	\$ 187,811

## 6. CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

## 7. REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of **\$2,161,506** for the multiline pool, as of June 30, 2010. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

### Unsecured Reinsurance Recoverables

The Pool has reinsurance recoverables in the amount of **\$54,725** from its reinsurers for paid losses as of June 30, 2010.

### Reinsurance Recoverable in Dispute

The Pool does not have any disputed balances or uncollectible funds.

## 8. RETIREMENT PLAN

The employees are covered under multiple-employer, public employee retirement systems administered by the Utah Retirement Systems. This plan is noncontributory and includes a 401(k) plan. The Pool contributes 11.62% of employee's salaries under the plan. The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan and/or a 457 (administered by Nationwide Retirement Solutions) plan, not to exceed 5% of the employees eligible payroll. The total retirement expense for the Pool, for the current year, as of the quarter ending June 30, 2010, was **\$34,922**.

## 9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events, as of June 30, 2010 has decreased from the December 31, 2009 estimates by approximately **\$122,843**, as a result of reestimation of unpaid losses and loss adjustment expenses coupled with claims paid for the six month period. This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

Unpaid claims, losses and loss adjustment expenses as of June 30, 2010 are:

	<u>2010</u>	<u>2009</u>
<b>Beginning Balance</b>	<b>10,462,475</b>	<b>9,860,210</b>
Incurred Loss:		
Current Year	1,830,000	4,227,000
Prior Year	<u>(122,843)</u>	<u>157,695</u>
<b>Change in Total Incurred</b>	<b><u>1,707,157</u></b>	<b><u>4,384,695</u></b>
Paid:		
Current Year	226,512	1,125,873
Prior Year	<u>5,071,239</u>	<u>2,656,557</u>
<b>Total Paid</b>	<b><u>5,297,751</u></b>	<b><u>3,782,430</u></b>
 <b>Balance at June 30</b>	 <b><u><u>6,871,881</u></u></b>	 <b><u><u>10,462,475</u></u></b>

#### 10. OPERATING LEASE COMMITMENT

On September 4, 2008, the Pool entered into a seven year commitment to lease office space. The lease commenced in February 2009 at which time the Pool occupied the premises. The Pool paid **\$75,516.00** under the lease commitment, for the current year, as of the quarter ending June 30, 2010.

Future minimum rental commitments for the building operating lease are as follows:

2010	\$ 129,456
2011	\$ 129,456
2012	\$ 132,696
2013	\$ 136,674
2014	\$ 140,774
Thereafter	<u>\$ 144,997</u>
 Total minimum lease payments	 <u>\$ 814,054</u>

#### 11. SUBSEQUENT EVENTS

On January 4, 2010, the Pool entered into a Loss Portfolio Transfer Agreement with Workers Compensation Fund (WCF). In January 2010 the Pool paid WCF \$4,229,516 for the transfer of all workers compensation liabilities associated with policy years 2004-2009.



## UTAH COUNTIES INSURANCE POOL

### Budget

	Approved 2010	Proposed Revised 2010
<b>Revenue</b>		
Premiums and other Considerations	7,360,121	5,690,296
Investment Income	80,709	55,000
Program Management Fees	3,000	3,000
Conferences	4,500	6,500
<b>Total Income</b>	<b><u>7,448,330</u></b>	<b><u>5,754,796</u></b>
<b>Underwriting Expense</b>		
Losses and Loss Adjustment Expenses	2,960,000	2,960,000
Losses Incurred	-	300,000
Reinsurance Expense	1,221,677	1,299,000
<b>Total Underwriting Expenses</b>	<b><u>4,181,677</u></b>	<b><u>4,559,000</u></b>
<b>Administrative Expense</b>		
Board of Trustees	38,000	40,000
Depreciation	45,000	35,000
Loss Control	42,650	42,650
Marketing	13,750	16,000
Office Operations	236,200	220,000
Professional Services	77,300	77,300
Staff	762,238	745,000
Taxes	60,000	-
<b>Total Administrative Expenses</b>	<b><u>1,275,138</u></b>	<b><u>1,175,950</u></b>
<b>Total Operating Expense</b>	<b><u>5,456,815</u></b>	<b><u>5,734,950</u></b>
<b>Change in Net Assets</b>	<b><u>1,991,515</u></b>	<b><u>19,846</u></b>



# UTAH COUNTIES INSURANCE POOL

## Budget

	Proposed Revised 2010	Proposed Tentative 2011
<b>Revenue</b>		
Premiums and other Considerations	5,690,296	6,190,000
Investment Income	55,000	55,000
Program Management Fees	3,000	3,000
Conferences	6,500	6,500
<b>Total Income</b>	<b>5,754,796</b>	<b>6,254,500</b>
<b>Underwriting Expense</b>		
Losses and Loss Adjustment Expenses	2,960,000	3,000,000
Losses Incurred	300,000	570,000
Reinsurance Expense	1,299,000	1,311,990
<b>Total Underwriting Expenses</b>	<b>4,559,000</b>	<b>4,881,990</b>
<b>Administrative Expense</b>		
Board of Trustees	40,000	40,000
Depreciation	35,000	35,000
Loss Control	42,650	42,650
Marketing	16,000	16,000
Office Operations	220,000	220,000
Professional Services	77,300	77,300
Staff	745,000	757,090
<b>Total Administrative Expenses</b>	<b>1,175,950</b>	<b>1,188,040</b>
<b>Total Operating Expense</b>	<b>5,734,950</b>	<b>6,070,030</b>
<b>Change in Net Assets</b>	<b>19,846</b>	<b>184,470</b>





## FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimates are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

### INDICATED PREMIUM NEED

The indicated premium for 1/1-12/31/11 on an undiscounted and discounted for investment income basis is shown below. UCIP provided the discount rate of 0.5%.

#### INDICATED PREMIUM NEED FOR 1/1-12/31/11

Undiscounted for Investment Income						
	30%	Expected	70%	80%	90%	95%
Indicated Premium	\$6,010,000	\$6,080,000	\$6,150,000	\$6,190,000	\$6,250,000	\$6,300,000
Estimated Premium	5,778,000					
Premium Indication	+ 4.0%	+ 5.2%	+ 6.4%	+ 7.1%	+ 8.2%	+ 9.0%
Discounted for Investment Income at 0.5% per Annum						
	30%	Expected	70%	80%	90%	95%
Indicated Premium	\$5,960,000	\$6,030,000	\$6,100,000	\$6,140,000	\$6,200,000	\$6,250,000
Estimated Premium	5,778,000					
Premium Indication	+ 3.1%	+ 4.4%	+ 5.6%	+ 6.3%	+ 7.3%	+ 8.2%

The low and high figures shown are judgmental and are not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of premium in this particular situation. The indicated premium is the amount that UCIP needs to collect from its members to cover expected losses and expenses. The estimated premium is based on the premium UCIP expects to collect for 1/1-12/31/11.

## COMPARISON TO PRIOR REPORT

The loss projections in this report are compared to the 10/1/09 Actuarial Report in the following table.

### COMPARISON OF LOSS PROJECTIONS TO PRIOR REPORT

Coverage	Report	Pure Loss Rate	Exposure	Projected Losses
General Liability	Current	\$2.60	\$ 687,024 ^	\$ 1,790,000
	Prior	2.60	675,079	1,760,000
	Change	0.0%	1.8%	1.7%
Auto Liability	Current	\$150	4,159 *	\$ 620,000
	Prior	175	4,055	710,000
	Change	-14.3%	+2.6%	-12.7%
Property	Current	\$0.0660	\$17,568,343 ~	\$ 1,160,000
	Prior	0.0710	16,717,936	1,190,000
	Change	-7.0%	+5.1%	-2.5%
Total	Current	-----	-----	\$ 3,570,000
	Prior	-----	-----	3,660,000
	Change	-5.1%	+2.7%	-2.5%

^ Expenditures (1,000).

\* Vehicles.

~ Insured value (100).

General liability (GL) loss rates have been stable. The projected loss rate for auto liability (AL) decreased primarily due to a decrease in the 1/1-12/31/08 incurred losses since 6/30/09. Property (PR) loss rates for 1/1-12/31/08 and 1/1-12/31/09 are very favorable leading to a decrease in the projected losses for 1/1-12/31/11. Overall, the total loss projection is a 2.5% decrease over last year, due to a 5.1% decrease in loss rates and a 2.7% increase in exposure.

## Appendix B, Exhibit III

## UTAH COUNTIES INSURANCE POOL

## ALL COVERAGES

## ESTIMATED EXPENSES FOR 1/1-12/31/11

Expense	General Liability	Automobile Liability	Property	Total	Percent of Premium
Reinsurance*	\$ 661,700	\$ 229,225	\$ 421,065	\$1,311,990	22.7%
Other Fixed Expenses#	596,000	206,000	386,040	1,188,040	20.6%
Fixed Expenses	\$1,257,700	\$ 435,225	\$ 807,105	\$2,500,030	43.3%

\* Provided by UCIP. Liability allocation based on projected losses.

# Total provided by UCIP. Allocated based on projected losses.



# 2011 MULTILINE PREMIUM CALCULATION

COUNTY	INSURABLE VALUE	PERCENT CHANGE	NUMBER of VEHICLES	PERCENT CHANGE	EXPENDITURES	PERCENT CHANGE	PROPERTY \$0.105	AUTO \$285.00	LIABILITY \$4.67	2011 CONTRIBUTION	PERCENT CHANGE	2010 PREMIUM
Beaver	32,335,150	15%	64	0%	8,420,515	0%	33,952	18,240	39,324	91,516	12%	81,554
Box Elder	30,123,564	-12%	226	5%	25,799,571	0%	31,630	64,410	120,484	216,524	9%	199,386
Cache	58,752,798	3%	245	-6%	23,599,783	-6%	61,690	69,825	110,211	241,726	4%	231,606
Carbon	81,577,207	13%	160	3%	38,312,506	6%	85,656	45,600	178,919	310,175	14%	271,242
Daggett	13,133,140	-1%	50	6%	6,161,761	-11%	13,790	14,250	28,775	56,815	6%	53,786
Davis	191,257,497	11%	228	3%	88,386,735	14%	200,820	64,980	412,766	678,566	19%	572,103
Duchesne	41,589,978	-5%	133	6%	6,770,915	-9%	43,669	37,905	31,620	113,195	3%	109,935
Emery	50,904,833	18%	160	12%	11,195,500	2%	53,450	45,600	52,283	151,333	17%	129,343
Garfield	20,367,462	-4%	102	3%	11,617,846	0%	21,386	29,070	54,255	104,711	8%	97,018
Iron	50,219,654	5%	200	6%	32,594,905	18%	52,731	57,000	152,218	261,949	24%	211,643
Juab	36,983,843	2%	120	-1%	8,402,690	-23%	38,833	34,200	39,241	112,274	-4%	116,347
Kane	28,587,229	114%	92	-1%	15,470,492	65%	30,017	26,220	72,247	128,484	63%	78,793
Millard	51,604,120	-6%	170	3%	17,771,670	-5%	54,184	48,450	82,994	185,628	2%	181,117
Morgan	16,575,341	3%	52	2%	5,016,578	0%	17,404	14,820	23,427	55,652	9%	51,108
Piute	6,651,782	26%	26	0%	1,569,590	0%	6,984	7,410	7,330	21,724	12%	19,366
Rich	5,684,264	-6%	26	-37%	3,436,970	0%	5,968	7,410	16,051	29,429	-8%	32,027
San Juan	41,689,154	18%	223	2%	19,010,886	-13%	43,774	63,555	88,781	196,109	2%	191,587
Sanpete	26,971,934	10%	89	9%	7,862,709	0%	28,321	25,365	36,719	90,404	12%	80,989
Sevier	37,359,469	29%	127	3%	15,718,917	-11%	39,227	36,195	73,407	148,830	10%	135,806
Tooele	110,602,245	7%	281	1%	29,923,801	0%	116,132	80,085	139,744	335,962	8%	310,840
Uintah	111,203,757	-9%	134	-3%	41,333,000	-8%	116,764	38,190	193,025	347,979	-2%	353,324
Utah	187,359,799	6%	314	8%	84,783,851	-8%	196,728	89,490	395,941	682,158	5%	650,722
Wasatch	82,913,859	12%	162	-2%	23,508,004	-11%	87,060	46,170	109,782	243,012	5%	231,424
Washington	138,207,373	-1%	232	6%	37,378,884	-2%	145,118	66,120	174,559	385,797	5%	366,749
Wayne	8,943,015	20%	61	-8%	4,661,960	0%	9,390	17,385	21,771	48,547	7%	45,255
Weber	261,076,988	3%	364	-4%	71,199,303	-1%	274,131	103,740	332,501	710,372	6%	673,033
UCIP	235,000	1%	0	-100%	809,518	-18%	247	0	3,780	4,027	-10%	4,477
Bear River HD	9,315,359	-36%	28	0%	8,403,135	-1%	9,781	7,980	39,243	57,004	-1%	57,316
Central HD	2,581,719	3%	10	25%	3,651,660	8%	2,711	2,850	17,053	22,614	23%	18,379
Southeastern HD	1,439,961	2%	14	-7%	3,961,037	0%	1,512	3,990	18,498	24,000	11%	21,597
Southwest HD	8,435,281	0%	16	45%	5,248,537	2%	8,857	4,560	24,511	37,928	16%	32,566
Tooele HD	3,792,260	-1%	12	-8%	3,775,262	18%	3,982	3,420	17,630	25,032	22%	20,531
TriCounty HD	6,187,500	645%	10	0%	2,980,000	6%	6,497	2,850	13,917	23,263	56%	14,944
Wasatch HD	622,388	-5%	5	-38%	1,867,000	6%	654	1,425	8,719	10,797	8%	10,000
Weber-Morgan HD	1,549,432	14%	23	0%	6,686,543	1%	1,627	6,555	31,226	39,408	15%	34,380
<b>TOTALS</b>	<b>1,756,834,355</b>	<b>6%</b>	<b>4,159</b>	<b>2%</b>	<b>677,292,034</b>	<b>0%</b>	<b>1,844,676</b>	<b>1,185,315</b>	<b>3,162,954</b>	<b>6,192,945</b>	<b>9%</b>	<b>5,690,296</b>





**RESOLUTION GOVERNING THE USE OF ELECTRONIC MEETINGS FOR  
MEETINGS OF THE UCIP BOARD OF TRUSTEES**

WHEREAS, the Utah Counties Insurance Pool desires to continue utilizing electronic means such as phone conference or video conference as an authorized method of meeting attendance for members of the board of trustees;

AND WHEREAS, UCIP desires to confirm its compliance with the Utah Open and Public Meetings Act, Utah Code Ann. §52-4-101 et. seq., which prescribes and regulates the manner in which meetings of the governing boards of public agencies shall be held;

AND WHEREAS, the Utah Open and Public Meetings Act, Utah Code Ann. § 52-4-207 requires adoption of a resolution, rule, or ordinance governing the use of electronic meetings;

AND WHEREAS, the use of such electronic means for meetings of the UCIP board of trustees complies with the Utah Open and Public Meetings Act, Utah Code Ann. § ;

**THEREFORE, BE IT RESOLVED:**

1. Members of the UCIP board of trustees may use electronic means such as phone conference or video conference to attend meetings of the board of trustees;
2. Electronic meetings shall be limited based on budget, public policy, and logistical considerations as determined by the board of trustees;
3. Requests by board members to attend a meeting of the board of trustees by electronic meeting should be made at least 3 days in advance to allow for arrangements to be made for the electronic meeting;
4. Notice of the electronic meeting shall be given to members of the board of trustees at least 24 hours before the meeting so that they may be counted as present for all purposes, including determination that a quorum is present;
5. Notice of the electronic meeting to members of the board of trustees shall include a description of how the members will be connected to the electronic meeting; and
6. Permitted use of electronic meetings shall continue in effect until terminated by like resolution.

THEREFORE, BE IT FURTHER RESOLVED THAT the President of the Utah Counties Insurance Pool shall be authorized to execute this Resolution by all necessary and proper means.

APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

BOARD OF TRUSTEES  
UTAH COUNTIES INSURANCE POOL

By: \_\_\_\_\_  
Kay Blackwell, President

Title/Chapter/Section:

[Go To](#)[Utah Code](#)[Title 52](#) Public Officers[Chapter 4](#) Open and Public Meetings Act**Section 207** Electronic meetings -- Authorization -- Requirements.**52-4-207. Electronic meetings -- Authorization -- Requirements.**

(1) A public body may convene and conduct an electronic meeting in accordance with this section.

(2) (a) A public body may not hold an electronic meeting unless the public body has adopted a resolution, rule, or ordinance governing the use of electronic meetings.

(b) The resolution, rule, or ordinance may:

(i) prohibit or limit electronic meetings based on budget, public policy, or logistical considerations;

(ii) require a quorum of the public body to:

(A) be present at a single anchor location for the meeting; and

(B) vote to approve establishment of an electronic meeting in order to include other members of the public body through an electronic connection;

(iii) require a request for an electronic meeting to be made by a member of a public body up to three days prior to the meeting to allow for arrangements to be made for the electronic meeting;

(iv) restrict the number of separate connections for members of the public body that are allowed for an electronic meeting based on available equipment capability; or

(v) establish other procedures, limitations, or conditions governing electronic meetings not in conflict with this section.

(3) A public body that convenes or conducts an electronic meeting shall:

(a) give public notice of the meeting:

(i) in accordance with Section **52-4-202**; and

(ii) post written notice at the anchor location;

(b) in addition to giving public notice required by Subsection (3)(a), provide:

(i) notice of the electronic meeting to the members of the public body at least 24 hours before the meeting so that they may participate in and be counted as present for all purposes, including the determination that a quorum is present; and

(ii) a description of how the members will be connected to the electronic meeting;

(c) establish one or more anchor locations for the public meeting, at least one of which is in the building and political subdivision where the public body would normally meet if they were not holding an electronic meeting;

(d) provide space and facilities at the anchor location so that interested persons and the public may attend and monitor the open portions of the meeting; and

(e) if comments from the public will be accepted during the electronic meeting, provide space and facilities at the anchor location so that interested persons and the public may attend, monitor, and participate in the open portions of the meeting.

(4) Compliance with the provisions of this section by a public body constitutes full and complete compliance by the public body with the corresponding provisions of Sections **52-4-201** and **52-4-202**.

Amended by Chapter 45, 2007 General Session

Download Code Section [Zipped](#) WordPerfect [52\\_04\\_020700.ZIP](#) 3,072 Bytes

[<< Previous Section \(52-4-206\)](#)   [Next Section \(52-4-208\) >>](#)

**Sonya White**

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**Cc:** 'Karen Fairbanks (karenf.ucadm@state.ut.us)'; 'jcombe@co.weber.ut.us'; 'sjensen@co.weber.ut.us'; 'cadams@co.tooele.ut.us'; Johnnie Miller

**Subject:** CANCELLED UCIP Board Meeting, 15 July

Dear Trustees,

Several of the Board Members are unable to attend the regularly scheduled UCIP Board of Trustees meeting, July 15. In discussing the concern of a quorum being present, Commissioner Blackwell and Johnnie have decided that the items on the July agenda can wait until the August 19 meeting in Cedar City at 12:00 noon.

We apologize for any inconvenience and we'll see you in August.

**Sonya White**

*Manager of Administration*

Utah Counties Insurance Pool

PO Box 95730

10980 Jordan Gateway

South Jordan, UT 84095-0730

801-307-2113(d)

801-307-2121(f)

7/13/2010



# UTAH COUNTIES INSURANCE POOL

## BOARD OF TRUSTEES MEETING

Friday, July 15, 2010, 12:00 p.m.

UCIP Offices, South Jordan

## AGENDA

12:00 Lunch Provided

12:30 Call to Order Kay Blackwell

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### ITEM ACTION

1 Review/Excuse Board Members Absent Kay Blackwell

2 Review/Approve June 4, 2010 Meeting Minutes Karla Johnson

3 Ratification and Approval of Payments and Credit Card Transactions Karla Johnson

4 Set Date and Time for Closed Meeting  
to Discuss the Purchase, Exchange, or Lease of Real Property Kay Blackwell

5 Action on Real Property Matters Kay Blackwell

6 Review Feasibility of In-House Counsel Johnnie Miller

7 Set Date and Time for Closed Meeting  
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual Kay Blackwell

8 Action on Personnel Matters Kay Blackwell

9 Set Date and Time for Closed Meeting  
to Discuss Pending or Reasonably Imminent Litigation Kay Blackwell

10 Action on Litigation Matters Kent Sundberg

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### INFORMATION

11 Chief Executive Officer's Report Johnnie Miller

12 Other Business Kay Blackwell

